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# 3<sup>RD</sup> QUARTER 2018 MARKETING REPORT

Branson Convention & Visitors Bureau

November 14, 2018

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# PRESENTATION OVERVIEW

- U.S. Economic Outlook
- U.S. Travel Performance
- Travel Industry Update
- Branson 2018 Q3 Performance
- Branson Visitor Update

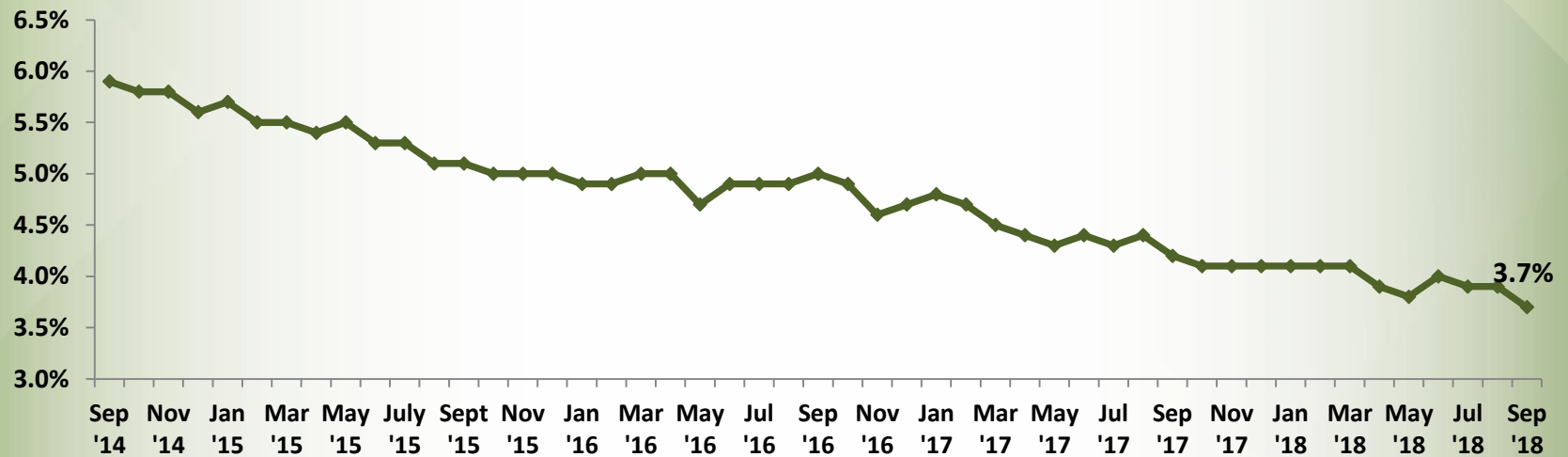


# ECONOMIC OUTLOOK

ALL INFORMATION *REPORTED* IS THE MOST RECENT AVAILABLE AS OF SEPTEMBER 30, 2018

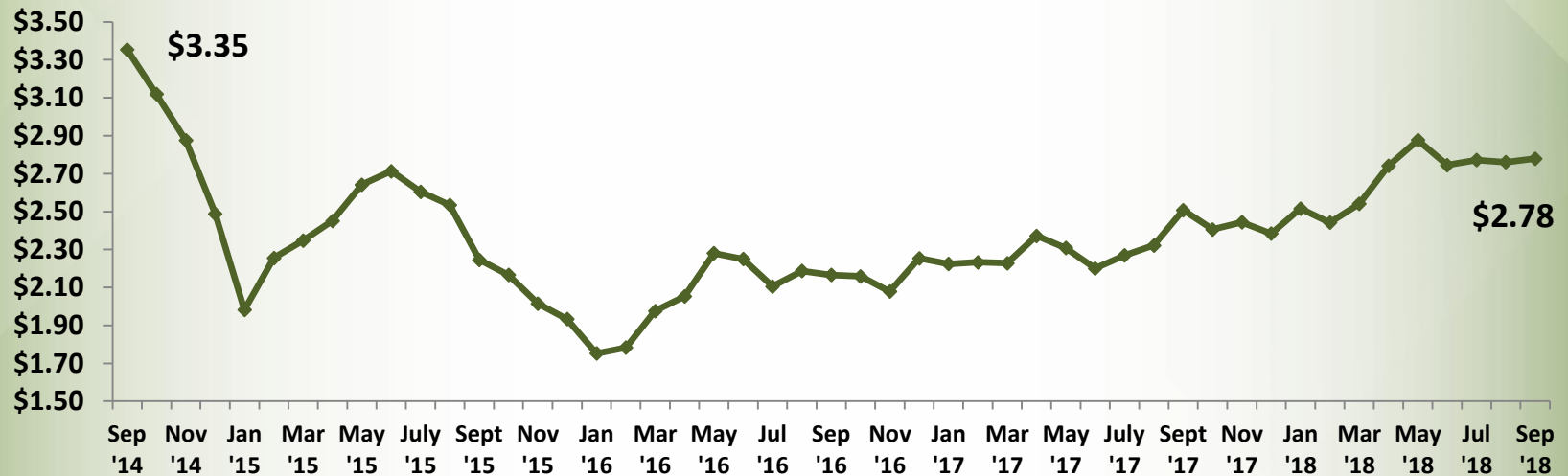
# U.S. UNEMPLOYMENT

The U.S. unemployment rate flattened out in late 2017. It has dropped or maintained for five of the past 6 months, and is currently sitting at 3.7%.



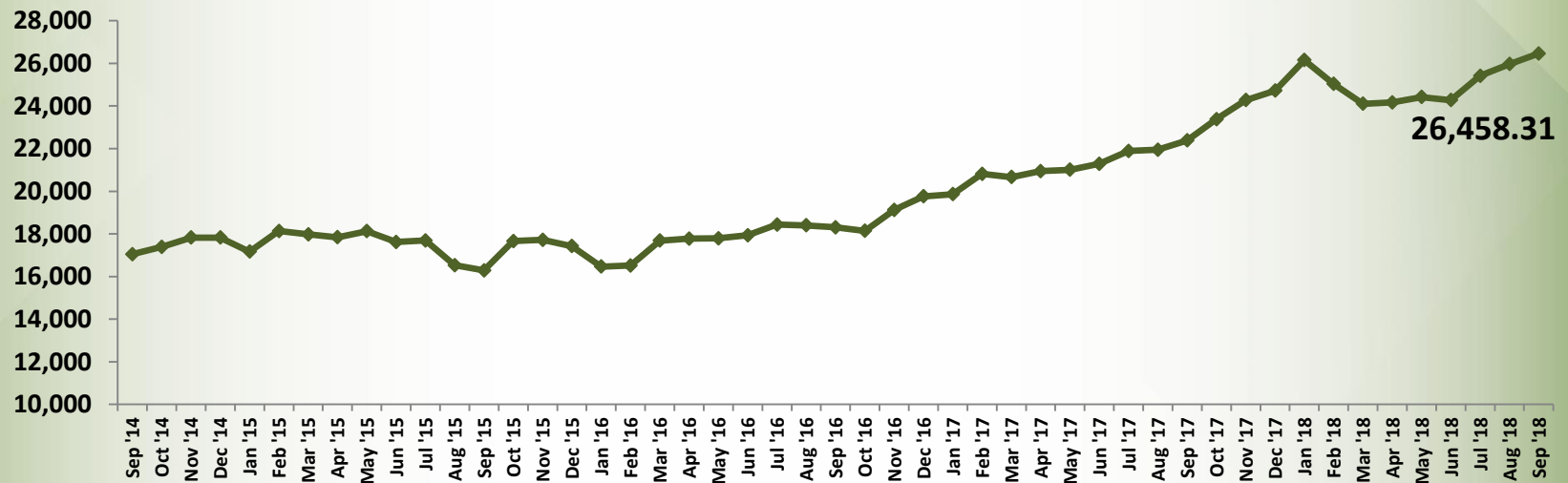
# GASOLINE PRICES

U.S. gasoline prices bottomed out an average of \$1.75 in January 2016 and stood at an average of \$2.38 at the end of 2017. 2018 prices have been fairly flat over the past 4 months.



# DOW JONES (DJIA)

The Dow Jones Industrial Average closed 2017 at 24,719, up 25% over the end of 2016. The 3<sup>rd</sup> quarter of 2018 has seen steady growth, with the DOW now sitting at 26,458.31.





# TRAVEL PERFORMANCE

ALL INFORMATION *REPORTED* IS THE MOST RECENT AVAILABLE AS OF SEPTEMBER 30, 2018



## U.S. LEISURE & BUSINESS TRAVEL

According to the U.S. Travel Association, leisure travel person-trips increased by 1.9% to 1.82 billion while business travel person-trips increased by 2.1% to 472 million.

The USTA estimates that leisure travel will increase at a lesser rate in 2019 with leisure travel increasing by another 1.9% and business travel by another 1.7%. The extended forecast through 2020 shows leisure travel increasing by 1.6% and business travel increasing by 1.3%.



# YTD U.S. ROOM DEMAND +3.0%

According to STR, U.S. room demand increased 1.6% in the 3<sup>rd</sup> quarter and is up 2.5% year-to-date. Additionally, ADR is running 2.5% ahead of last year.

- Sep 2018 YTD Occupancy: +0.5%
- Sep 2018 YTD Room Demand: +2.5%
- Sep 2018 YTD Revenue: +3.1%

SOURCE: STR, SEPTEMBER 2018

# ROOM DEMAND

## BY CHAIN SCALE

Upscale Room Demand (+5.4%) has grown the most this year with Upper Midscale (+4.2%) not far behind. On the lower end, Independents and Midscale (+1.2%) and Economy (+0.2%) have increased room demand by the smallest amounts.

+3.3%

LUXURY

+2.5%

UPPER UPSCALE

+5.4%

UPSCALE

+4.2%

UPPER MIDSCALE

1.2%

MIDSCALE

+0.2%

ECONOMY

+1.2%

INDEPENDENTS

# ROOM DEMAND

## BY CENSUS REGION

The regions of the U.S. that have experienced the strongest growth in room demand this year are the Middle Atlantic (+5.1%), West South Central and New England (+4.1%). Meanwhile, the West North Central region, which includes Missouri, is up 1.7%.

+4.1%

NEW ENGLAND

+5.1%

MIDDLE ATLANTIC

+1.9%

SOUTH ATLANTIC

+2.5%

EAST NORTH CENTRAL

+2.1%

EAST SOUTH CENTRAL

+1.7%

WEST NORTH CENTRAL

+4.1%

WEST SOUTH CENTRAL

+1.5%

MOUNTAIN

+1.6%

PACIFIC



# INDUSTRY UPDATE

ALL INFORMATION *REPORTED* IS THE MOST RECENT AVAILABLE AS OF SEPTEMBER 30, 2018

## U.S. CONSUMER SPENDING INCREASED STEADILY (+0.3 PERCENT) IN AUGUST

Spending last month was driven by outlays on healthcare, which offset a drop in motor vehicle purchases. The report came on the heels of data showing a decline in orders for key capital goods in August and a further widening of the goods trade deficit, which prompted economists to downgrade their gross domestic product estimates for the third quarter to as low as a 2.8 percent annualized rate. The retail-heavy fourth quarter, however, is encouraged by the August data - as it signals a strong retail and holiday season. Source: [CNBC](#)

MEETING PLANNERS ARE HAVING A  
TOUGHER TIME BOOKING EVENTS  
IN HOTELS, DUE TO THE CURRENT  
HIGH LEVELS OF OVERALL  
LODGING DEMAND

For hoteliers, meanwhile, the challenge is booking those meetings when the hotel needs the business, at rates that revenue managers will approve. A primary factor driving the strong demand at large, meetings-oriented hotels is the minimal new supply the segment has seen in recent years, as the industry continues to predominantly build limited- and select-service hotels. Source: [Hotel News Now](#)

THE U.S. DEPARTMENT OF LABOR'S  
SEPTEMBER JOBS REPORT SHOWS  
THAT JOBS ROSE BY 134,000,  
RESULTING IN UNEMPLOYMENT  
FALLING TO 3.7%

That's the lowest percentage in 49 years. U.S. job growth, meanwhile, slowed, with analysts stating this was likely caused by Hurricane Florence's effect on restaurant and retail businesses, and hotels, which saw employment numbers fall by 17,000. Approximately 120,000 jobs need to be created every month to keep up with the growth in the working-age population.

Source: [BLS](#)

THE U.S. POSTAL SERVICE IS SEEKING  
TO INCREASE THE PRICE OF ITS FIRST-  
CLASS MAIL FOREVER STAMP 5 CENTS  
TO 55 CENTS, WHICH WOULD BE THE  
BIGGEST PRICE HIKE SINCE 1991

USPS would also reduce the additional ounce price of letters. So, a 2-ounce stamped letter would decrease from 71 cents to 70 cents. Priority Mail flat rate prices could also increase by an average of 5.9 percent. For example, a medium flat rate box that now goes for \$13.65 would increase to \$14.35. Source: [USPS](#)



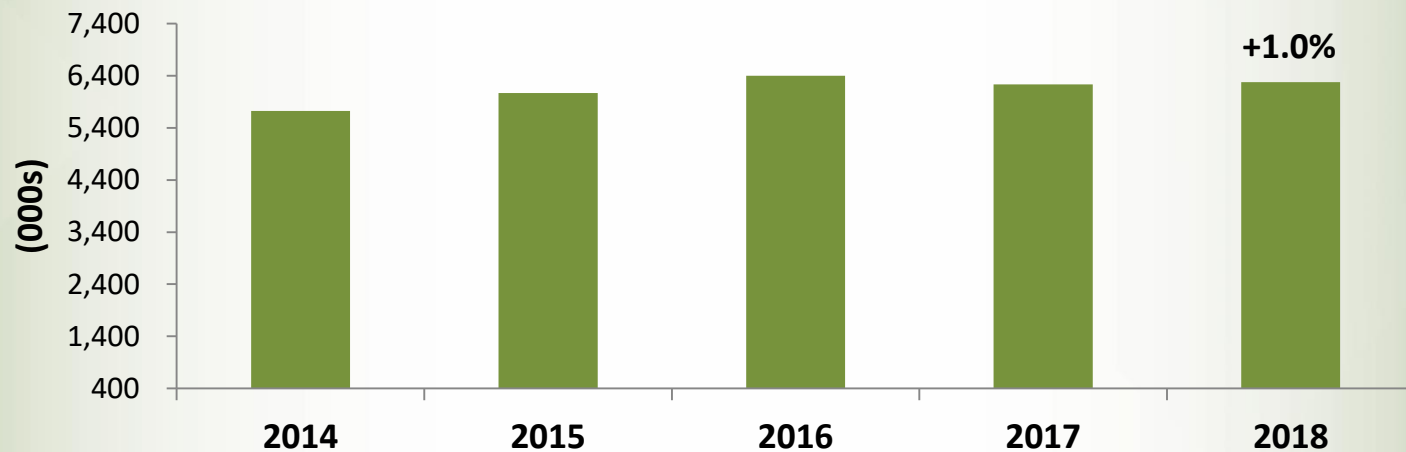


# BRANSON Q3 PERFORMANCE

ALL INFORMATION *REPORTED* IS THE MOST RECENT AVAILABLE AS OF SEPTEMBER 30, 2018

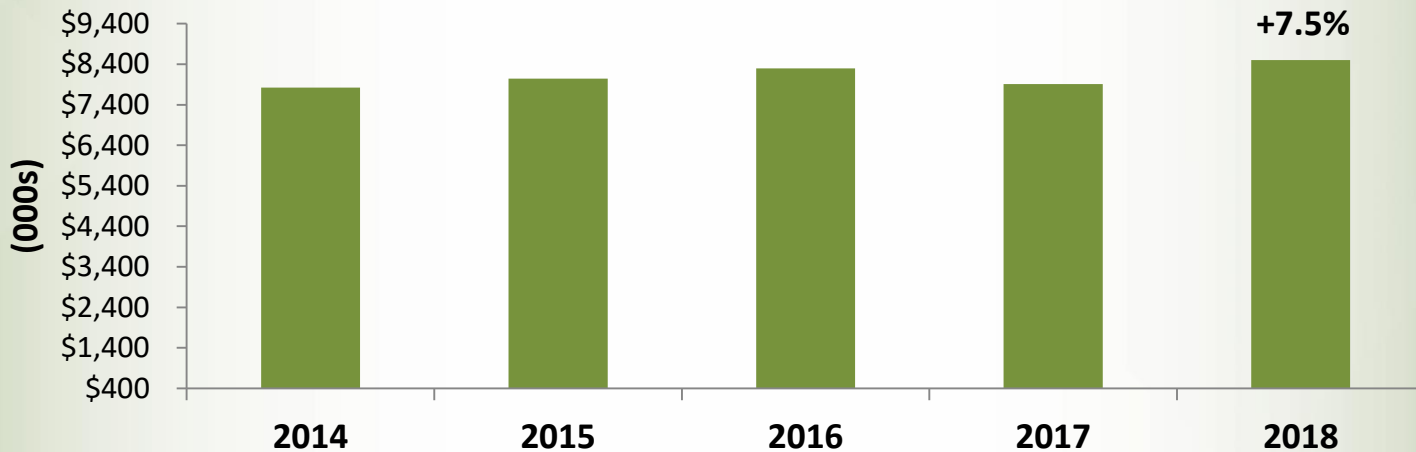
# BRANSON ESTIMATED VISITATION

3<sup>rd</sup> Quarter YTD 2018



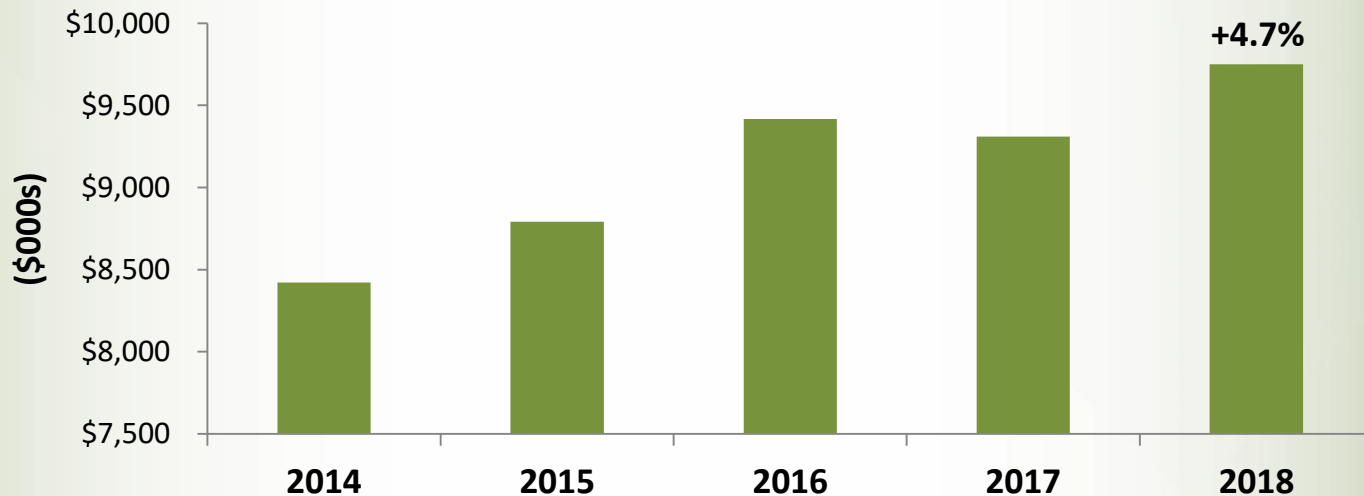
# CITY OF BRANSON SALES TAX

3<sup>rd</sup> Quarter YTD 2018



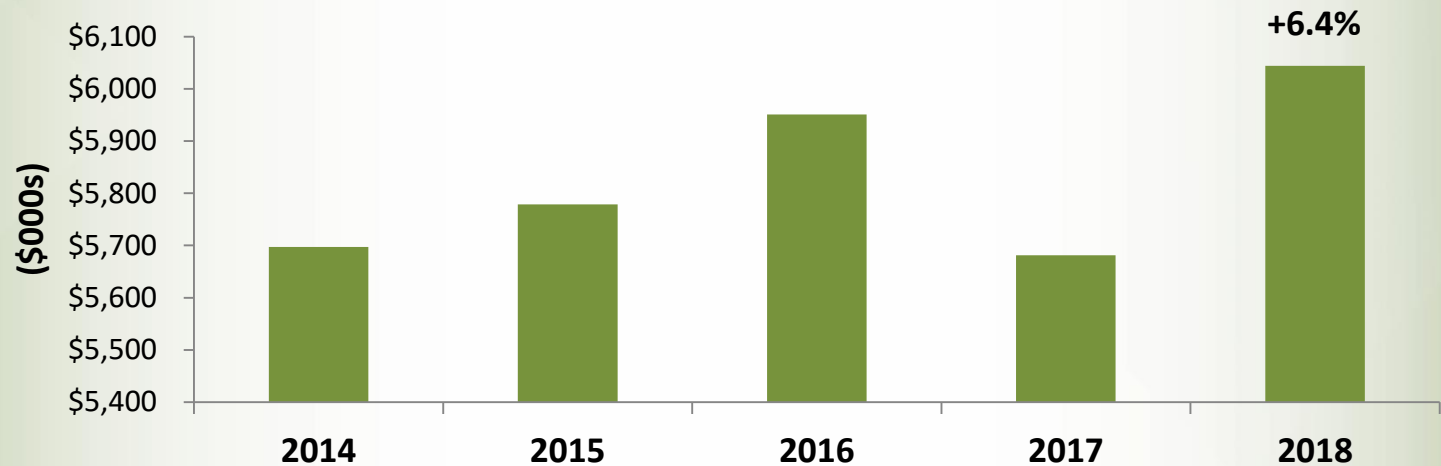
# CITY OF BRANSON TOURISM TAX

3<sup>rd</sup> Quarter YTD 2018



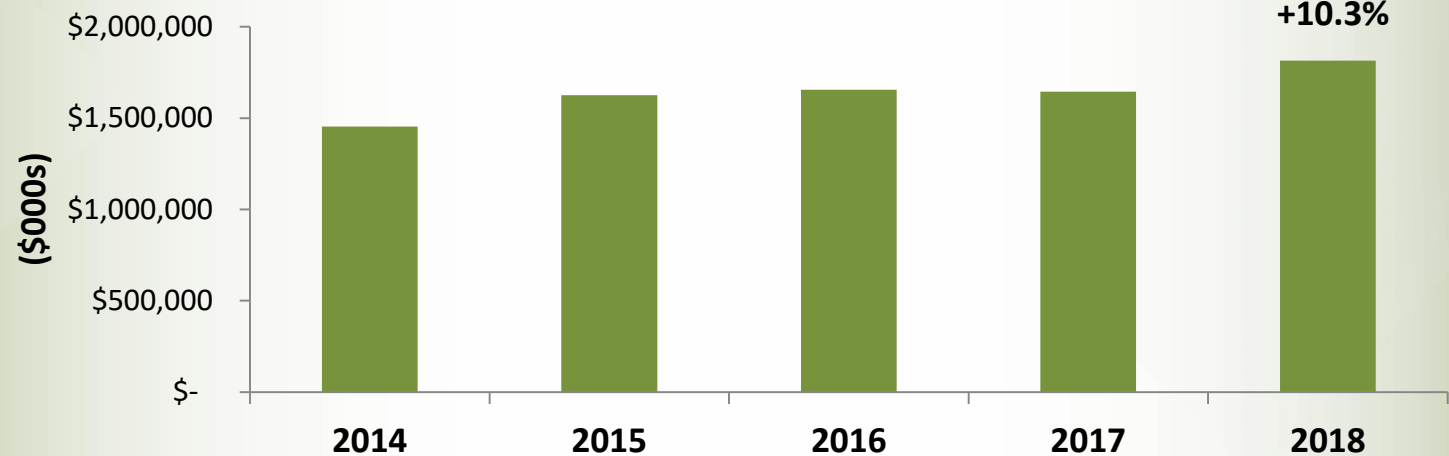
# TCED TOURISM TAX

3<sup>rd</sup> Quarter YTD 2018



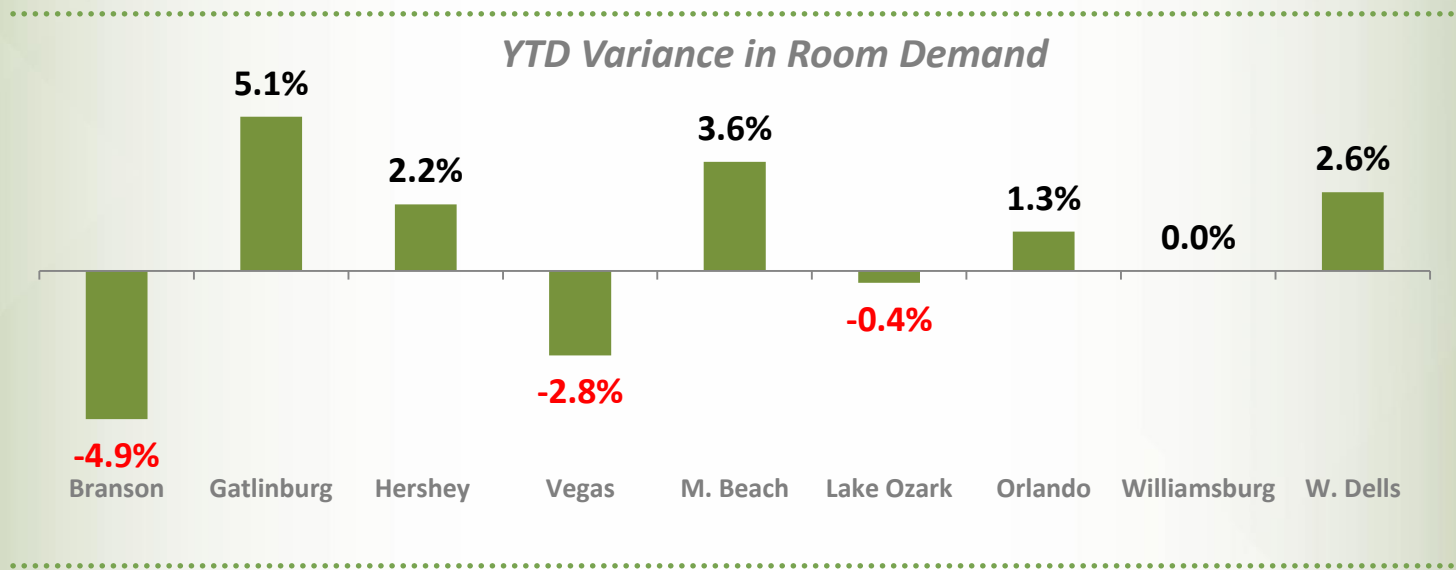
# STONE COUNTY TAX

3<sup>rd</sup> Quarter YTD 2018



# ROOM DEMAND COMPARISON

3<sup>rd</sup> Quarter YTD 2018





# DEPARTMENT UPDATES



# PUBLIC RELATIONS AND COMMUNICATIONS REPORT

## 2018 Q3 Report

- Duck incident
- PBS Newshour coverage on Branson workforce development efforts.
- Sponsored Hall of Fame gala and showed What's New video at Missouri Press Assoc. 152nd annual convention in St. Louis.
- Sponsored Mid-America Emmys in KC. AYO-Voices of Glory, Nathan "Big Easy" Lofton from Harlem Globetrotters and Paul Harvey, Jr. represented Branson. The Emmys will be back in Branson Oct. 5, 2019.
- Ad equivalency, measured by Cision/Meltwater/TVEyes, YTD running \$1.2 million behind record \$15.7 million last year at end of Sept.



# LEISURE GROUP SALES DEPARTMENT

## 2018 Q3 Report

### **July 10<sup>th</sup> – 13<sup>th</sup> Hosted 12<sup>th</sup> Annual Music Director FAM, Branson, MO.**

- Hosted 42 music directors from 14 states for 4 days and 3 nights.
- 25 Branson sellers – 10 minute 1-on-1 business appointments with every director
- Over 50% Branson sellers booked business during the FAM – post survey results.
- Over 80% directors will book student groups to Branson in 2019-2020 –post survey results.

### **July 2018 Hosted 3<sup>rd</sup> Quarter Meetings for three Leisure Group Sales Committees**

- Student & Youth, Groups & Travel Agents & Reunion Committees

### **August 24<sup>th</sup> – 28<sup>th</sup> Attended SYTA Conference Baltimore, MD**

- First-time “Branson Ice Cream Social” sponsorship at SYTA for 1,000 delegates
- Branson booth was highest rated sponsorship throughout conference by all attendees.
- Branson partners booked extra appointments and business at the ice cream booth

### **September 9<sup>th</sup> – 11<sup>th</sup> Hosted Branson Live in Dallas, Dallas, TX.**

- Presented a Branson trade show, luncheon and live music show starring MDQ
- 110 leisure group travel planners and meeting planners attended at Highland Dallas Hotel
- 25 Branson partners participated in the event.





• Q3 HIGHLIGHTS | 2018 •

## ECONOMIC IMPACT

### MEETINGS & CONVENTIONS

 **1,412\***  
JOBS SUPPORTED

 **3,898**  
ROOM NIGHTS BOOKED

 **31**  
RFPs PRODUCED

 **\$5.4M\***  
ECONOMIC IMPACT ON ACTUALIZED BUSINESS

**REASONS FOR LOST BUSINESS:** Event Not Happening, Lack of Hotel/Venue Availability, Board Decision.

**ADDITIONAL HIGHLIGHTS:** Attended Destinations International annual conference, participated in the Partners Summit, Arkansas Society of Assoc. Exec. Convention, Missouri Event Summit & Sales Calls, Connect Marketplace, Branson Live in Dallas, Missouri Society of Assoc. Exec. Funfest, assisted in IAGTO Fam and attended Missouri Governors Conference.

\*Estimated Economic Impact and Jobs Supported derived from the Destination International (DI) impact calculator.



• Q3 HIGHLIGHTS | 2018 •

## ECONOMIC IMPACT

### SPORTS

 **1,864\***  
JOBS SUPPORTED

 **8,220**  
ROOM NIGHTS BOOKED

 **14**  
RFPs PRODUCED

 **\$8.8M\***  
ECONOMIC IMPACT ON ACTUALIZED BUSINESS

**REASONS FOR LOST BUSINESS:** Lack of Venue Availability.

**ADDITIONAL HIGHLIGHTS:** Hosted the IAGTO (International Association of Golf Tour Operator's) FAM September 16-23

Travel: Connect Sports Marketplace and S.P.O.R.T.S.-The Relationship Conference.

Site Visits: MIAA, Powerboat Nationals, Triple Crown

\*Estimated Economic Impact and Jobs Supported derived from the Destination International (DI) impact calculator.

# DIGITAL MARKETING

## 2018 Q3 REPORT

### ExploreBranson.com:

- 667,885 site visits, up 16% YOY
- 1,819,729 pageviews, up 15.32% YOY
- Organic traffic to site up 13.8% YOY

### Media:

- Launched digital campaign, “The Locals” in effort to combat local misperceptions about Branson
- Launched niche lead generation social media campaign to grow segmented lists:
  - Shows
  - Family Fun
  - Outdoor Adventure
  - Golf
- Launched Fall campaign to bring visitors to Branson during the months of August – October

### Social Media:

- Facebook:  
81,186 engaged users  
2,286,898 reach  
3,026,861 impressions
- Twitter:  
106,211 impressions
- Instagram:  
Up 600+ followers since the launch of Explore Branson Giveaway campaign in Q1
- YouTube:  
370,471 views



The background of the slide features a large, stylized, light orange 'BR' logo. The letters are thick and rounded, with the 'B' and 'R' overlapping. The entire slide has a solid orange background.

# BRANSON VISITOR UPDATE

ALL INFORMATION *REPORTED* IS THE MOST RECENT AVAILABLE AS OF SEPTEMBER 30, 2018



# YTD VISITOR TRENDS

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<u>METRIC</u>	<u>2018</u>	<u>2017</u>	<u>VAR</u>
SPENDING/PARTY	\$919	\$ 970	-\$51
FIRST-TIMERS	26%	24%	+2%
% FAMILIES	42%	45%	-3%
AVG ADULT AGE	58.3 yrs	55.5 yrs	+2.8 yrs
LOS	4.3 nts	4.4 nts	-0.1 nts
% SEEING SHOWS	69%	71%	-2%
AVG # SHOWS SEEN	3.3	3.3	+0.0

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SOURCE: H2R MARKET RESEARCH, AUGUST 2018 YTD. n = 888; MOE = +/- 3.3% at a 95% Confidence Interval.

# VISITATION BY MARKET

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<u>METRIC</u>	<u>% VISITORS</u>	<u>VAR TO 2017</u>
CORE MARKETS	17%	- 0.9%
PRIMARY MARKETS	32%	+ 0.9%
OUTER MARKETS	30%	+ 1.9%
NATIONAL MARKETS	21%	- 1.9%
TOTAL	100%	0.0%

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SOURCE: H2R MARKET RESEARCH, AUGUST 2018 YTD (WEIGHTED)



# MOST INFLUENTIAL SOURCES

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37%

Searched online  
for a specific  
Branson  
business

24%

Discussed  
Branson with a  
friend

40%

Looked up Branson on  
my computer at home

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Questions?

THANK  
YOU